

**STATE OF LOUISIANA**

**DEPARTMENT OF ENVIRONMENTAL QUALITY**

**IN THE MATTER OF:**

\*

\*

**SUN DRILLING PRODUCTS CORPORATION \* Enforcement Tracking No.**  
**AI # 6415 \* WE-CN-02-1026**

\*

**PROCEEDINGS UNDER THE LOUISIANA**  
**ENVIRONMENTAL QUALITY ACT**  
**LA. R.S. 30:2001, ET SEQ.**

\*

**Docket No. 2003-11205-EQ**

\*

**SETTLEMENT**

The following Settlement is hereby agreed to between Sun Drilling Products Corporation (“Respondent”) and the Department of Environmental Quality (“DEQ” or “the Department”), under authority granted by the Louisiana Environmental Quality Act, La. R.S. 30:2001, et seq. (“the Act”).

**I**

Respondent is a corporation that owns and/or operates an oilfield drilling products manufacturing and rental equipment fabrication facility located at 503 Main Street, Belle Chasse, Plaquemines Parish, Louisiana (“the Facility”).

**II**

On August 25, 2003, the Department issued a Consolidated Compliance Order and Notice of Potential Penalty, Enforcement No. WE-CN-02-1026, to Respondent, which was based upon the following findings of fact:

The Respondent was issued a Louisiana Pollutant Discharge Elimination System (LPDES) permit LA0087327 which was effective November 1, 1998, and which will expire

October 31, 2003. LPDES permit LA0087327 authorizes the Respondent to discharge stormwater, equipment wash water, cooling tower blowdown, and process wastewater into the Mississippi River, and stormwater into an unnamed parish drainage system, thence Hero's Canal, thence the Intracoastal Waterway, thence the Mississippi River, all waters of the state.

On or about July 22, 2002, an inspection conducted by the Department as the result of a citizen's complaint revealed the hose connected to the facility's treatment tank was not connected to the pump used to drain the facility sump. Although not discharging at the time of inspection, the appearance of discharging directly into the Mississippi River without treatment was given. The Respondent stated at the time of inspection that the "Y" manifold would be removed so that the contents of the sump could only be pumped into the treatment tank and not directly into the Mississippi River.

An inspection conducted by the Department on or about July 22, 2002, revealed that the Respondent failed to notify the Department of all chemicals being used at the facility. Specifically the Respondent sent in an application for an LPDES permit on or about February 10, 1997, with a list of chemicals used on site. The intent of this list is for the Respondent to list all chemicals used at the facility and which may be discharged at a given outfall, in this case, Outfall 001. The above-mentioned inspection revealed that Tank Bright and EK 2000 were being used, but the Respondent had not modified their application or sent notification to the Department. Each failure to notify the Department of a component of the discharge is in violation of LPDES permit LA0087327 (Part II, Section L and Part III, Sections A.2 and D.1.b) La. R.S. 30:2076 (A) (3), LAC 33:IX.501.A, and LAC 33:IX.501.C.

On or about August 13, 2003, a file review was conducted by the Department which revealed the following effluent violations, as reported by the Respondent on Discharge Monitoring Reports (DMRs):

<b>Date</b>	<b>Outfall</b>	<b>Parameter</b>	<b>Permitted value</b>	<b>Sample value</b>
4-03	001	Oil & Grease (daily max)	15 mg/L	16.7 mg/L
3-03	001	Oil & Grease (daily max)	15 mg/L	64.7 mg/L
3-03	001	TSS (daily max)	45 mg/L	88 mg/L
2-03	001	Oil & Grease (daily max)	15 mg/L	53.8 mg/L
12-02	001	COD (daily max)	300 mg/L	363 mg/L
12-02	001	Oil & Grease (daily max)	15 mg/L	52.3 mg/L
11-02	001	COD (daily max)	300 mg/L	346 mg/L
11-02	001	Oil & Grease (daily max)	15 mg/L	57.6 mg/L
11-02	005	Oil & Grease (daily max)	15 mg/L	23.7 mg/L
10-02	001	COD (daily max)	300 mg/L	450 mg/L
10-02	001	Oil & Grease (daily max)	15 mg/L	42.4 mg/L
10-02	001	TSS (daily max)	45 mg/L	46 mg/L
9-02	001	COD (daily max)	300 mg/L	304 mg/L
8-02	002	TOC (daily max)	50 mg/L	60.5 mg/L
8-02	001	COD (daily max)	300 mg/L	481 mg/L
8-02	001	TSS (daily max)	45 mg/L	48 mg/L
6-02	001	COD (daily max)	300 mg/L	399 mg/L
6-02	001	Oil and Grease (daily max)	15 mg/L	23 mg/L
6-02	001	TSS (daily max)	45 mg/L	70 mg/L

Each excursion of the permit constitutes a violation of LPDES permit LA0087327 (Part I, Page 2 of 9 and Page 4 of 9, Part III, Section A.2), La. R.S. 30:2076 (A) (1), La. R.S. 30:2076 (A) (3), LAC 33:IX.501.A, LAC 33:IX.501.D and LAC 33:IX.2355.A.

A file review conducted by the Department on or about April 3, 2003, revealed that the Respondent failed to submit non-compliance reports (NCR) to the Department for the violations noted in Paragraph V of the Findings of Fact. Each failure to submit a non-compliance report is in violation of LPDES permit LA0087327 (Part III, Sections A.2, and D.7), La. R.S.

30:2076(A)(3), La. R.S. 30:2076(D), LAC 33:IX.501.A, LAC 33:IX.2355.A, and LAC 33:IX.2355.L.7.

A file review conducted by the Department on or about April 3, 2003, revealed that the Respondent failed to submit Discharge Monitoring Reports for the following time periods; April 2001, May 2001, June 2001, October 2001, November 2001, and December 2001. Each failure to submit DMRs constitutes a violation of LPDES permit LA0087327 (Part I, Section C.8 and Part III, Section A.2) La. R.S. 30:2076 (A)(3), LAC 33:IX.501.A, LAC 33:IX.2355.A, and LAC 33:IX.2355 L.4.a.

### III

In response to the Consolidated Compliance Order and Notice of Potential Penalty, Respondent made a timely request for a hearing.

### IV

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

### V

Nonetheless, Respondent, without making any admission of liability under state or federal statute or regulation, agrees to pay, and the Department agrees to accept, a payment in the amount of THREE THOUSAND FIVE HUNDRED AND NO/100 (\$3,500.00) of which SIX HUNDRED FIFTY-TWO AND 80/100 DOLLARS (\$652.80) represents DEQ's enforcement costs, in settlement of the claims set forth in this agreement. The total amount of money expended by Respondent on cash payments to DEQ as described above, shall be considered a civil penalty for tax purposes, as required by La. R.S. 30:2050.7(E)(1).

## VI

Respondent further agrees that the Department may consider the inspection report(s), the Consolidated Compliance Order and Notice of Potential Penalty and this Settlement for the purpose of determining compliance history in connection with any future enforcement or permitting action by the Department against Respondent, and in any such action Respondent shall be estopped from objecting to the above-referenced documents being considered as proving the violations alleged herein for the sole purpose of determining Respondent's compliance history.

## VII

This agreement shall be considered a final order of the secretary for all purposes, including, but not limited to, enforcement under La. R.S. 30:2025(G)(2), and Respondent hereby waives any right to administrative or judicial review of the terms of this agreement, except such review as may be required for interpretation of this agreement in any action by the Department to enforce this agreement.

## VIII

This settlement is being made in the interest of settling the state's claims and avoiding for both parties the expense and effort involved in litigation or an adjudicatory hearing. In agreeing to the compromise and settlement, the Department considered the factors for issuing civil penalties set forth in LSA- R. S. 30:2025(E) of the Act.

## IX

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Plaquemines Parish. The advertisement, in form, wording, and size approved by the Department, announced the availability of this settlement for

public view and comment and the opportunity for a public hearing. Respondent has submitted a proof-of-publication affidavit to the Department and, as of the date this Settlement is executed on behalf of the Department, more than forty-five (45) days have elapsed since publication of the notice.

#### X

Payment is to be made within ten (10) days from notice of the Secretary's signature. If payment is not received within that time, this Agreement is voidable at the option of the Department. Penalties are to be made payable to the Department of Environmental Quality and mailed to the attention of Darryl Serio, Office of Management and Finance, Financial Services Division, Department of Environmental Quality, Post Office Box 4303, Baton Rouge, Louisiana, 70821-4303.

#### XI

In consideration of the above, any claims for penalties are hereby compromised and settled in accordance with the terms of this Settlement.

#### XII

Each undersigned representative of the parties certifies that he or she is fully authorized to execute this Settlement Agreement on behalf of his/her respective party, and to legally bind such party to its terms and conditions.

WITNESSES:

SUN DRILLING PRODUCTS CORPORATION

Noraida  
(Signature)

BY: Michael P. Cook  
(Signature)

NORAI DA DIAZ  
(Printed or Typed)

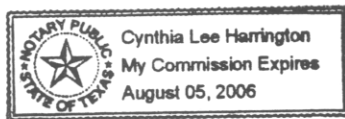
Michael P. Cook  
(Printed or Typed)

Nodalina Rodriguez  
(Signature)

TITLE: Chief Financial Officer

Nodalina Rodriguez  
(Printed or Typed)

THUS DONE AND SIGNED in duplicate original before me this 6<sup>th</sup> day of  
May, 20 04, at 10:23 A.M.



Cynthia Lee Harrington  
NOTARY PUBLIC (ID # \_\_\_\_\_)  
ID# 12429246-1

Cynthia Lee Harrington  
(Printed or Typed)

WITNESSES:

Peggy M. Hatch  
(Signature)

Peggy M. Hatch  
(Printed or Typed)

Holly Smith  
(Signature)

Holly Smith  
(Printed or Typed)

STATE OF LOUISIANA

Mike D. McDaniel, Ph.D., Secretary  
Department of Environmental Quality

BY: Harold Leggett  
Harold Leggett, Ph.D., Assistant Secretary  
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 31<sup>st</sup> day of  
August, 20 04, at Baton Rouge, Louisiana.

Christopher C. Ratcliff  
NOTARY PUBLIC (ID # 18675)

Christopher A. Ratcliff  
(Printed or Typed)

Approved: R. Bruce Hammatt  
R. Bruce Hammatt, Assistant Secretary



CHARLES C. FOTI, JR.  
ATTORNEY GENERAL

State of Louisiana  
DEPARTMENT OF JUSTICE  
P.O. BOX 94005  
BATON ROUGE  
70804-9005

August 3, 2004



Mike D. McDaniel, Secretary  
La. Department of Environmental Quality  
Office of the Secretary  
P.O. Box 4301  
Baton Rouge, LA 70821-4301

Re: Review of DEQ Settlement;  
Sun Drilling Products Corporation  
WE-CN-02-1026

Dear Secretary McDaniel:

Pursuant to the authority granted to me by R.S. 30:2050.7(E)(2)(a), I approve the above referenced settlement.

Sincerely,

  
CHARLES C. FOTI, JR.  
Attorney General

NG/ttp